



State of Washington  
**PUBLIC DISCLOSURE COMMISSION**

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9:00 a.m.  
February 26, 2002

**MINUTES – REGULAR MEETING**

Evergreen Plaza Bldg. Room 206  
711 Capitol Way South  
Olympia, Washington

**COMMISSION MEMBERS PRESENT**

Christine Yorozu, Chair  
Gerry Marsh, Vice Chair  
Lois Clement, Secretary  
Susan Brady, Member

**STAFF PRESENT**

Vicki Rippie, Executive Director  
Susan Harris, Assistant Director  
Michael Smith, Chief Tech. Officer  
Nancy Krier, Asst. Attorney General  
Linda Dalton, Sr. Asst. Attorney General  
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Christine Yorozu at 9:05 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

**Commissioner Comments**

Commissioner Yorozu commented on legislative hearings she attended along with Commissioner Clement and Vicki Rippie regarding agency request legislation.

**Citizen Comments/Concerns**

No citizen comments were expressed.

**Minutes**

**Motion 02-087**

Moved by Commissioner Clement, seconded by Commissioner Marsh:

**The Commission adopts the minutes of the regular meeting of January 22, 2002, as written.**

The motion passed unanimously.

Executive Director Evaluation Process

Moved by Commissioner Clement, seconded by Commissioner Brady:

**Motion 02-088**

**The Commission will begin the evaluation process for the executive director.**

The motion passed unanimously.

Commissioner Clement reported that she has been working with Assistant Attorney General Mickey Newberry regarding establishing an evaluation process and noted that a two-member committee should be chosen to work on the process.

**Motion 02-089**

Moved by Commissioner Clement, seconded by Commissioner Yorozu:

**The Commission selects Commissioners Clement and Yorozu as members of the evaluation committee.**

The motion passed unanimously.

Legislation

Vicki Rippie updated the Commission on the status of legislation that may impact chapter 42.17 RCW.

Ms. Rippie reported that HB 2320 changing the C-3 reporting day from Friday to Monday passed the House 97-0 and is scheduled for consideration by the Senate the first week of March. She also noted that the PDC penalty bill passed the House and staff is currently contacting members of the Senate State and Local Government Committee to discuss concerns they may have. Staff remains

hopeful that the measure will be moved out of committee before the March 1<sup>st</sup> cut-off date.

Commissioner Brady asked whether ESB 5833, which calls for the Secretary of State to hold public hearings on initiative measures and amends campaign finance law to allow participation of public officials at the hearings, contains language requiring that the information must be "fair and balanced." She observed that it was that type of abuse that lead to the creation of the Public Disclosure Commission.

The Commission authorized Ms. Rippie to testify that the Commission supports public hearings as long as the statements offered by officials using public resources are fair, balanced and factual.

Commissioner Yorozu thanked Vicki Rippie and Doug Ellis for their hard work on legislative session issues.

#### Advisory Matter

Ms. Rippie reported on the impact of redistricting on contribution limits and other provisions of the Public Disclosure Law. She explained that the contribution limits to legislative and statewide office candidates from party and caucus committees are based on the number of registered voters in the jurisdiction at the time of the most recent general election in the jurisdiction. Therefore, in election years immediately following redistricting, the statute fails to take into account the re-drawn district boundaries and fails to address the absence of a most recent general election in the new jurisdictions.

Staff recommended that the Commission adopt an interpretation that relies on the current number of registered voters in all legislative districts as now constituted as determined by county election officials on or before June 30, 2002, for purposes of establishing the contribution limits from party and caucus committees to state office candidates.

**Motion 02-090**

Moved by Commissioner Clement, seconded by Commissioner Brady:

**The Commission accepts the staff recommendation and adopts Interpretation 02-01 regarding the impact of redistricting on contribution limits.**

The motion passed unanimously.

Status Report on Electronic Filing

Susan Harris updated the Commission on the transition to electronic filing and summarized research on incumbent state officials who appear to be required to file campaign reports electronically. She reported that staff has sent reminder letters to those officials, but has not received responses from many of them.

The Commission requested that staff add a reminder regarding mandatory electronic filing in the upcoming notice concerning the end of the session freeze.

Electronic Filing Waiver Requests

Susan Harris commented that currently there are three requests from legislative office holders asking for temporary waivers from the electronic filing requirement.

Commissioner Brady expressed concern for the opponents of those who may be granted waivers, since campaign finance data for persons filing on paper would not be as readily available as those filing electronically.

Commissioner Yorozu stated that she is willing to consider waivers for up to 60 days after the end of the legislative session.

Commissioner Clement also supported granting waivers with a time limit. She commented that she understands the concern candidates have with the fear of losing long-time treasurers, but assistance

is available for campaigns to learn how to use the electronic filing program.

The Commission agreed that the standard for granting electronic filing waivers will be 60 calendar days following the end of the current regular legislative session (May 13, 2002). However, each request will be considered on a case-by-case basis as required by law.

*Steve Conway, State Representative*

Ms. Harris reported that Representative Conway requests a waiver from electronic filing because his long-time treasurer is currently unable to make the technology conversion.

**Motion 02-091**

Moved by Commissioner Marsh, seconded by Commissioner Clement:

**The Commission grants a temporary waiver from the mandatory electronic filing provision to Steve Conway for 60 calendar days following the end of the current regular legislative session.**

The motion passed unanimously.

*Steve Van Luven, State Representative*

Ms. Harris reported that Representative Van Luven requests a waiver from electronic filing because he does not have a campaign treasurer nor is he technologically qualified to keep his reports on a computer. Representative Van Luven also stated that he feels he will have better accuracy if the reports are completed manually.

**Motion 02-092**

Moved by Commissioner Brady, seconded by Commissioner Clement:

**The Commission grants a temporary waiver from the mandatory electronic filing provision to Steve Van Luven for 60 calendar days following the end of the current regular legislative session.**

The motion passed unanimously.

*Mary Skinner, State  
Representative*

Susan Harris reported that Representative Skinner requests a waiver from electronic filing because she currently does not own a personal computer and is in the process of finding a replacement treasurer.

**Motion 02-093**

Moved by Commissioner Clement, seconded by Commissioner Marsh:

**The Commission grants a temporary waiver from the mandatory electronic filing provision to Mary Skinner for 60 calendar days following the end of the current regular legislative session.**

The motion passed unanimously.

Vicki Rippie is authorized to sign the orders on behalf of the Commission.

Enforcement Matters

Hearings Continued: Deliberations

*Protect our Pets and Wildlife,  
Case #02-263*

Senior Assistant Attorney General Linda Dalton noted that the enforcement hearing against Protect our Pets and Wildlife for alleged violations of RCW 42.17.080 and 42.17.090 by failing to timely report orders placed and estimated expenditures during its 2000 campaign supporting Initiative 713 was heard at the January 22, 2002 meeting and the Commission had requested that counsel for both parties submit a closing brief for the Commission's consideration.

Attorney Shawn Newman representing Protect our Pets and Wildlife reiterated that staff's case is based on an ambiguity and the question remains as to when an offer is a reportable order.

Commissioner Brady commented that even with the broadest definition of when the orders placed were reportable, Protect our Pets did not report the expenditures appropriately.

**Motion 02-094**

Moved by Commissioner Marsh, seconded by Commissioner Brady:

**The Commission finds apparent multiple violations of RCW 42.17.080 and RCW 42.17.090 by Protect our Pets and Wildlife, PDC Case #01-134, and refers the matter to the Office of the Attorney General for appropriate action given the insufficiency of its penalty authority. Further, if the Office of the Attorney General does not take action in this case, the matter will be returned to the Public Disclosure Commission for consideration.**

The motion passed unanimously.

Vicki Rippie is authorized to sign the order on behalf of the Commission.

*James White, Case #01-184*

Assistant Attorney General Nancy Krier summarized the status of the case noting that the hearing was held at the December 4, 2001 Commission meeting. The proposed Stipulation of Facts, Violations and Penalty was rejected at that time and the case has brought back for further consideration.

Ms. Dalton read the amended Stipulation of Facts, Violations and Penalty into the record in the case against James White for alleged violation of RCW 42.17.750 by knowingly soliciting contributions from employees of the City of Kent, and RCW 42.17.130 by using public facilities to assist his campaign for re-election as Mayor of Kent.

Attorney Dave Hokit, representing Mr. White, stated that the amended stipulation addresses the concerns the Commission expressed at the enforcement hearing.

**Motion 02-095**

Moved by Commissioner Brady, seconded by Commissioner Clement:

**The Commission accepts the Stipulation of Facts, Violations and Penalty of \$2,500 to be paid within 90 days using no public funds, in PDC Case #01-184, James White, as presented.**

The motion passed unanimously.

Vicki Rippie is authorized to sign the order on behalf of the Commission.

Martin Plys thanked the Commission members for their action in this matter. He also commented that he felt that the complaint had not been handled in a timely manner, and in his opinion, this inaction resulted in the reelection of Mr. White.

The Commission requested staff to draft a letter to Mr. Plys addressing his comments.

Hearing

*Jim Downs, Case #02-280*

Linda Dalton noted that the enforcement hearing for Jim Downs has been continued until the March meeting due to illness of the Respondent's counsel.

Commissioner Yorozu thanked Suemary Trobaugh for her hard work on very complicated enforcement cases.

Personal Financial Affairs Reporting

New Modification Request

*Active in Democracy*

Mr. Stutzman reported that Active in Democracy, the political committee of the Tacoma Firefighters Union, requests to substitute the union's address for the personal addresses of member contributors.



**Motion 02-096**

Moved by Commissioner Clement, seconded by Commissioner Marsh:

**The Commission grants the reporting modification to Active in Democracy, the political committee of Tacoma Firefighters Union, as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Renewals (no change)

*Joseph Delay, Alternate Member  
State Commission on Judicial  
Conduct*

Mr. Stutzman reported that Mr. Delay requests an exemption from reporting the business and governmental customers paying over \$7,500 to the law firm Delay, Curran, Thompson, Pontarolo & Walker, P.S., of which he is a partner.

*Dan Grausz, City Council  
Member, City of Mercer Island*

Mr. Stutzman reported that Mr. Grausz requests an exemption from reporting the business and governmental customers paying over \$7,500 to Holland America Line-Westours, Inc., and its affiliated companies, the "HAL Group," of which he serves as Vice President and General Counsel.

**Motion 02-097**

Moved by Commissioner Clement, seconded by Commissioner Marsh:

**The Commission grants the reporting modifications to Joseph Delay and Dan Grausz, as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant**

**and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Staff Reports

Director of Public Outreach

Doug Ellis presented a communication plan developed to enhance the agency's outreach to interested constituents and stakeholders.

Assistant Attorney General

Nancy Krier summarized current litigation and noted that PDC prevailed in superior court in Mr. Edelman's petition for review and repeal of WAC 390-16-311, Automatically Affiliated Entities Maintaining Separate Limits.

Executive Director

Vicki Rippie discussed the current budget status report and commented that the Governor has issued Directive 02-01 which implements a hiring freeze and limits travel and equipment purchases of agencies under his direction.

Assistant Director

Susan Harris reported that Sally Parker has been hired as a temporary employee to fill the investigator position contingent upon the budget outcome. She also noted that the 2000 Fact Book has been finalized and is currently available on the website in its entirety.

Chief Technology Officer

Michael Smith summarized the electronic filing training sessions and reported that the Personal Financial Affairs electronic filing option is now available.

Executive Session

The Commission went into executive session at 12:45 p.m. to discuss pending and potential litigation with legal counsel.

Public Session/Adjournment

The Commission returned to public session and adjourned the meeting at 1:25 p.m. The next meeting is scheduled for Tuesday, March 26, 2002.

Approved by the Commission 4/9/02

# PDC Interpretation

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APPROVAL DATE:	February 26, 2002	NUMBER:	02-01
STATUS:	Effective February 26, 2002	SUPERSEDES:	N/A
REFERENCES:	RCW 42.17.640	APPROVED BY:	The Commission

SEE ALSO: Chapter 44.05 RCW; Staff Memoranda from PDC Executive Director Vicki Rippie dated February 18, 2002, regarding Impact of Redistricting on Contribution Limits and other Provisions of the Public Disclosure Law and from Assistant Attorney General Nancy Krier dated February 14, 2002, regarding RCW 42.17.640(5) Contribution Limits and New Legislative Districts

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## **2002 Contribution Limits From Bona Fide Political Party Committees and Caucus Political Committees to Legislative Candidates**

For purposes of calculating the contribution limits from party and caucus committees to legislative candidates for 2002 campaigns, the Public Disclosure Commission has interpreted RCW 42.17.640(5) to mean that the number of registered voters in a legislative district is the current number of registered voters, as determined by county election officials on or before June 30, 2002, in that jurisdiction as it is now constituted following approval of the state's redistricting plan.